

LAST MINUTE AGENDA INFORMATION

10/21/15 Regular City Council Meeting

(Agenda Related Writings/Documents provided to a majority of the City Council after distribution of the Agenda Packet for the October 21, 2015 Regular meeting.)

<u>ITEM NO.</u>	<u>DESCRIPTION</u>
-----------------	--------------------

4.1	RESOLUTION NO. 2015-7640 APPROVING THE USE OF CDBG FUNDS FOR THE SENIOR CENTER. (0650-34 & 0930-20) a. Revised Staff Report and Resolution No. 2015-7640
------------	--



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: OCTOBER 21, 2015

ORIGINATING DEPT.: STEVE DUSH, ASSISTANT CITY MANAGER *SD*

SUBJECT: PUBLIC HEARING RELATED TO USE OF CDBG FUNDS AND
CONSIDERATION OF RESOLUTION NO. 2015-7640
APPROVING THE USE OF CDBG FUNDS FOR THE SENIOR
CENTER

EXECUTIVE SUMMARY:

A discussion to group the annual disbursement of Community Development Block Grant (CDBG) funds for the remodeling or reconstruction of the Senior Center.

RECOMMENDATION:

Staff recommends that the City Council hold the public hearing and consider public input and then adopt Resolution 2015-7640 and direct the City Manager to prepare the CDBG application in accordance with the policy direction received.

RATIONALE:

During the Council's October 7, 2015 meeting, they discussed the utilization of CDBG funds to be used for a Senior Center and that the application request is aggregated in an effort to most efficiently utilize available CDGB funds, which on average have been approximately \$100,000 per year. The ability to group the funds allows for a more robust project and aids in the realization of our Capital Improvements Plan (CIP) in line with the CDBG requirements.

OPTIONS:

- Discuss the strategy to aggregate the CDBG funds for a multi-year phased project with the initial phase consisting of planning and design, followed by a construction phase.
- Provide direction to the City Manager.

BACKGROUND:

The CDBG Program is a U.S. Department of Housing and Urban Development (HUD) program that provides funds annually to all entitlement jurisdictions. CDBG funds are used for a variety of community development activities that benefit low-income households and persons with special needs.

a. 1

ANALYSIS:

Staff finds that a senior center would qualify for these funds and the annual disbursement is too low of an amount to realize a substantive project and as such is recommending that the funds be aggregated for a multi-year period.

During the Council's October 7, 2015 meeting, they discussed the merits of a remodel or a complete reconstruction. Additional information was requested relative to what improvements could be made with \$500,000 towards a remodel. In discussions with some design professionals, the options with a remodel can vary greatly and this notion was also expressed by Council during its October 7 meeting as different finishes or designs can be modified that can increase or decrease prices. Similar price variances are associated with new construction too. So, the best metric to compare remodel v. new construction is a cost per square foot range. Therefore, a price range received from a design professional familiar with this type of work, assuming a design build delivery method, prevailing wage/Davis Bacon, for a remodel cost per square foot for is \$350-\$400; and new construction is \$500-\$600.

Using the average of the cost ranges, and a \$500,000 budget, a \$375/sf remodel cost yields 1,330 square feet of space remodeled and a \$550/sf new construction cost yields 909 square feet of a new senior center. Neither scenario produces a fully remodeled or fully new senior center. In fact, the footprint of the current senior center complex over the three structures is 3304 square feet. So, one way analyze is to identify the cost associated with a full remodel and what that same cost would yield for new construction. A complete remodel would cost \$1.24 million (\$375/sf x 3304 sf). Utilizing the \$1.24 million and a new construction cost of \$550/sf would yield a 2,258 square foot new construction senior center.

Another strategy of remodeling could be to simply establish a budget of \$500,000 and determine the elements desired to change; recognizing that multiple variations for each element exist. For instance, of the list below and the associated \$500,000 budget, one may be able to do a new roof and windows, but nothing else; or a new HVAC and some interior remodeling and new appliances.

- All windows and glass doors replaced with dual pane
- New roofs through out
- New floors throughout
- New ceilings throughout
- Consolidating the kitchens to 1 and ½ . Currently there are 2 and ½ kitchens
- New appliances
- New cupboards
- Modernized restrooms
- Installation of HVAC in all three buildings
- New and upgraded exterior façade on each of the three buildings
- All walls patched and repaired and repainted (resurfaced)
- Etc...

While the options are extensive, it is clear that not all of the remodeling could be achieved for \$500,000.

a. 2

Staff recommends, regardless of the approach to remodel or reconstruct, that the project be phased with the first phase consisting of planning and design followed by the second phase of construction. In discussions with the County of San Diego who administers the CDBG funds, a request for two years funding for planning and design, with unused funding rolled into the construction phase would appear to be the best approach and is also recommended by staff.

ENVIRONMENTAL DETERMINATION:

The Grant itself is not a project as defined by CEQA.

FISCAL IMPACT:

Dependent upon remodel or demolish/reconstruction and final bids and successful award of CDGB funds.

Attachment:

1. Resolution No. 2015-7640

RESOLUTION NO. 2015-7640

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, REQUESTING ALLOCATION OF THE FISCAL YEAR 2016-17 AND FISCAL YEAR 2017-18 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE AGREEMENTS WITH THE COUNTY OF SAN DIEGO

WHEREAS, on October 7, 2015, the City Council held a public meeting and discussed project proposals for the CDBG application and on October 21, 2015, the City Council of the City of Imperial Beach conducted a duly noticed public hearing to consider project proposals for the Fiscal Year 2016-17 Community Development Block Grant ("CDBG") Program; and

WHEREAS, the City Council received testimony from staff and offered the community the opportunity to identify projects that would benefit and enhance the livability of the community; and

WHEREAS, the City Council has recognized that the physical improvements up to and inclusive of reconstruction of the City's Senior Center, located at 1075 8th Street, Imperial Beach would benefit and improve activities and recreation for seniors and others within the community; and

WHEREAS, an enhanced Senior Center will have a direct impact on the quality of life for the Imperial Beach community; and

WHEREAS, the City Council of the City of Imperial Beach desires to utilize its Fiscal Year 2016-2017 and Fiscal Year 2017-2018 CDBG funds for planning and design for the physical improvements of the Senior Center up to and inclusive of reconstruction for the benefit of the citizens of the City of Imperial Beach.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the City Council of the City of Imperial Beach that:

1. The City Council approves the submittal of a CDBG application for the planning and design of the physical improvements up to and inclusive of reconstruction of the Senior Center and authorizes the City Manager, or his designee, to submit such application.
2. The City Council approves the application to request an advance of CDBG funds for Fiscal Year 2017-2018 and Fiscal Year 2018-2019 to contribute to the planning, design and physical improvements to the Senior Center.
3. The City Council agrees that the General Fund may lend an advancement for this project and the General Fund shall be reimbursed from the CDBG Housing Development Fund when future grant funds are received from HUD in FY 2017-18 through 2018-2019. However, reimbursement may take place over more than two years, if CDBG entitlements are reduced from current levels in future years.
4. In the event that the CDBG Program is terminated by the Federal Government, the City of Imperial Beach agrees to reimburse the County CDBG Housing Development Fund for any affected funds.
5. The City Manager is authorized to execute an agreement with the County of San Diego for the use of CDBG funds for the planning, design, and physical improvements to the Senior Center up to and including reconstruction.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its regular meeting held on the 21st day of October 2015, by the following vote:

AYES:
NOES:
ABSENT:

SERGE DEDINA, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK